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May 26, 2022

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

**Re: British Columbia Utilities Commission (BCUC) – 2022 Generic Cost of Capital Proceeding – Project No. 1599176**  
**FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC) Submission Regarding Out of Scope Information Requests**

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FortisBC writes with respect to Residential Consumer Intervener Association (RCIA) Revised IR2 44.1 to Dr. Lesser (Exhibit C1-8-1). FortisBC respectfully objects to the revised question posed to Dr. Lesser on the basis that the revised question still contemplates having Dr. Lesser take on a role that goes beyond what is proper under the BCUC's Order G-106-22 (Exhibit A-13) and the principles of procedural fairness that underpinned that Order.

RCIA's revisions to the question run counter to the BCUC's determinations and directions with respect to information requests to Dr. Lesser. FEI seeks further direction from the BCUC in that regard.

**RCIA Revised IR2 44.1 to Dr. Lesser is Contrary to the BCUC's Procedural Order and Procedurally Unfair**

RCIA Revised IR2 44.1 does not cure the underlying issues with the question raised in FortisBC's prior submissions (Exhibit B1-14), which were accepted by the Panel in Order G-140-22 (Exhibit A-16), and do not bring the question into compliance with the Panel's determinations with respect to the scope of information requests to Dr. Lesser. RCIA's revised question reads as follows:

Please evaluate and comment upon Mr. Coyne's calculations of CAPM and Multi-Stage DCF. Avoid performing your own calculations for these models unless there is no other way to meaningfully evaluate Mr. Coyne's results. If you already have comparable results on hand, please provide them.

[Emphasis added.]

There are two primary problems with RCIA Revised IR2 44.1.

The first problem is that the portion of the question that states “unless there is no other way to meaningfully evaluate Mr. Coyne’s results” invites Dr. Lesser to perform the very calculations that the Panel ruled in Orders G-106-22 and G-140-22 fell outside the scope of Dr. Lesser’s involvement.

The second problem with RCIA’s reformulation of the question is the portion that reads “If you already have comparable results on hand, please provide them.” This reformulation would seem to suggest that the problem with the original question was that it created additional workload for Dr. Lesser. In fact, the problem with the original question, and the reformulation, is that changing Dr. Lesser’s role part way through the process is procedurally unfair. Regardless of whether Dr. Lesser possesses comparable results, they would be out of scope, as determined by the Panel in Order G-106-22.

Procedural fairness requires that the BCUC strike the portion of RCIA Revised IR2 44.1 that reads “unless there is no other way to meaningfully evaluate Mr. Coyne’s results. If you already have comparable results on hand, please provide them”.

#### **Further Comment on Revised ICG IR**

FortisBC is not objecting to the revised Industrial Customers Group (ICG) IR (Exhibit C5-8-1) on the understanding that it is simply asking Dr. Lesser to reweigh Mr. Coyne’s ROE analysis with a different weighting as between US and Canadian proxy group results, as opposed to having Dr. Lesser perform ROE, DCF and CAPM analyses himself. Going beyond that would, in FortisBC’s submission, have the same problems as the original ICG IR question.

If further information is required, please contact the undersigned.

Sincerely,

**on behalf of FORTISBC**

***Original signed:***

Diane Roy

cc (email only): Registered Parties